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Chairman: Mr. Abelian ..... (Armenia)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

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The meeting was called to order at 10 a.m.

Agenda item 120: United Nations common system (*continued*) (A/52/811; A/53/30 and Corr.1; A/C.5/53/27)

1. **Mr. Brevik** (Norway) said that to develop and maintain a strong, independent international civil service, the conditions of service of the staff, including compensation and allowances, must be made more attractive and more competitive. His delegation supported the recommendations of the International Civil Service Commission (ICSC) to that end. Moreover, the imbalance between the common system and conditions offered by other multilateral organizations must be corrected, which could be done by ensuring full implementation of the Noblemaire principle. His delegation would also support the establishment of a system that rewarded outstanding performance and addressed unsatisfactory performance. The system should include more flexible employment contracts. He trusted that ICSC would continue to do its utmost to ensure that the United Nations attracted and retained staff of the highest calibre from all national backgrounds.

2. The decision by the Commission to create a working group to examine a framework for human resources management, including human resources reforms, was a constructive initiative. Close consultations between the Office of Human Resources Management, staff representatives and ICSC were important in ensuring the successful implementation of the reforms that were under way.

3. The Working Group on the Consultative Process and Working Arrangements of ICSC had made satisfactory progress in its work; he trusted that the outstanding issues could be resolved. The Commission and the international civil servants' associations must establish a framework for cooperation, trust and mutual respect. His delegation had noted the joint statement of the representatives of the Administration and staff on the selection of members of the Commission. In that connection he looked forward with great interest to the review of the composition, mandate and functioning of ICSC which the Secretary-General had called for as part of the reform of human resources management.

4. The security of United Nations staff, particularly in high risk areas, was a great concern. His delegation appealed to all Member States to sign and ratify the 1994 Convention on the Safety of United Nations and Associated Personnel.

5. With regard to the report of the United Nations Joint Staff Pension Board (A/53/9), he noted with satisfaction that, for the first time in 20 years, the actuarial balance of the Fund was positive. He also welcomed the progress made in the administrative arrangements between the Fund and member organizations. The concept paper on cost-sharing arrangements between the Fund and the United Nations should provide a useful basis for future deliberations.

6. **Mr. Yamagiwa** (Japan) said that his delegation had always supported the common system, which not only allowed participating organizations to avoid burdensome administrative arrangements but also ensured equal and consistent conditions of service throughout the system, an important factor in view of the Secretary-General's proposal to enhance the mobility of the staff. The role of ICSC as an independent technical body serving the entire system must be maintained. In that context the Secretariat should indicate the current status of the reform of ICSC, proposed by the Secretary-General in document A/51/950 and requested by the General Assembly in its resolution 52/12 B.

7. His delegation appreciated the effort made by the Commission to make substantive progress in the consultative process, including the establishment of the Working Group on the Consultative Process and Working Arrangements of ICSC, comprising members of the Commission, the Consultative Committee on Administrative Questions (CCAQ) and representatives of the two staff associations. He supported the decisions made by ICSC and its rationale; the independence of the Commission should be carefully protected.

8. With regard to application of the Noblemaire principle and related matters, his delegation generally shared the views of ICSC. In particular, it supported the recommendation not to change the comparator at the current stage as well as its intention to undertake a study on the use of a basket of comparators (A/53/30, para. 88). Further, while there was cause for concern at the high rate of separation from service, particularly among junior officials, that did not seem to be attributable to salary levels, given the larger margin at the P-1 to P-3 levels (A/53/30, annex III), but to more fundamental problems, including the lack of career prospects in the Organization. Regarding expatriation elements, his delegation took note of the comments contained in paragraphs 108 and 109 of the ICSC report (A/53/30), and would like to encourage the Commission to undertake a further study of the issue of the margin for non-expatriate international staff members.

9. The Board of Auditors, in its report (A/52/811), had stated that the response rate for the Commission questionnaire regarding spending patterns of staff members, a factor of critical importance to the current system for determining post adjustment indices, was inadequately low,

which threatened to undermine the credibility of the system. In that connection his delegation would like to learn the views of ICSC on the recommendations of the Board contained in paragraphs 46 and 55 of its report.

10. He supported the decisions and recommendations of the Commission regarding conditions of service applicable to both categories. His delegation, in common with the Administrative Committee on Coordination (ACC) and CCAQ, was gravely concerned by security problems in the field, and therefore wished the Commission to consider recommending further measures in addition to hazard pay.

11. On the framework for human resources management (A/53/30, paras. 261–274), his delegation welcomed the identification of recruitment, career development and geographical balance as the major areas to be targeted, and stressed the importance of equitable geographical distribution. In that context it wished ICSC, using its decisions on gender balance (para. 290) as a model, to develop a set of guidelines on the accountability of senior officials with decision-making responsibilities for improving geographical representation.

12. **Mr. Lozinsky** (Russian Federation) said that his delegation paid special attention to the primary role of ICSC in regulating conditions of service in common system organizations. The General Assembly's recommendations on improving the functioning of the Commission had nothing to do with revising the instruments defining its role and functions. There could be no question of reviewing the statute and mandate of the Commission, including the selection of its members. In that regard article 3 of the statute of the Commission remained valid. Further, the Commission report contained quite detailed and convincing arguments against creating a group to review ICSC.

13. A number of the conclusions and recommendations of the Board of Auditors (A/52/811) went beyond the mandate it had received from the General Assembly, namely to review the work of the ICSC secretariat but not the substance of the issues considered by the Commission itself. In that regard he supported the view of ICSC in paragraph 19 of its report. All expert bodies, in carrying out their activities, must strictly follow the mandates given them by the General Assembly.

14. On the consultative process and working arrangements, ICSC concluded in its report (para. 53) that its decisions on the question were the result of flexibility demonstrated by the parties. In that regard his delegation considered that the amendments proposed to the rules of procedure should be field tested by ICSC, which could examine their impact on its efficiency. He would also like to be informed of the financial implications of the proposed changes. He noted that, according to the ICSC report, the Federation of International Civil Servants' Associations (FICSA) had maintained its observer status in the Working Group on the Consultative Process, even though favourable conditions to encourage full participation had been established. There was thus no need for further appeals to resume full participation.

15. With regard to the proposals to change the Commission's rules of procedure, his delegation wished the Commission to first request a legal opinion, as indicated in paragraph 54 of its report. In general, his delegation supported most of the recommendations of ICSC calling for a decision by the General Assembly or the legislative organs of the other participating organizations.

16. With regard to the conditions of service of the Professional and higher categories, his delegation noted that ICSC wished to suspend annual reporting of the German/United States total compensation margin until 2001 (para. 88 (d)). He stressed in that regard that the comparison methodology continued to cause serious concern and wished to state once again that there was no reason to study the possibility of issuing a basket of comparators and to include international organizations in the basket in view of the risk of biased results. The current system, with a single comparator, must be retained.

17. His delegation looked forward to the early availability of the results of the ICSC analysis of new approaches in the field of human resources management, requested by the General Assembly in its resolution 52/216, since that question was to be dealt with at the current session. He took note of the ICSC decision to create a working group to examine a framework for human resources management. Nevertheless, without prejudging the Commission's decisions, he cautioned against undue reliance on tripartism, and recalled that responsibility for the Commission's recommendations lay exclusively with its members.

Agenda item 121: United Nations pension system (*continued*) (A/53/9 and A/53/511; A/C.5/53/18)

18. **Ms. Shearouse** (United States of America) said that the United Nations Joint Staff Pension Board, in its recommendations and decisions, must maintain a balance between the financial health of the Fund and the needs of participants. She commended those responsible for managing investments; despite the volatility of financial markets, a real investment return of 18.9 per cent for the year ending 31 March 1998 marked the sixteenth consecutive year in which the Fund had achieved a positive return. It would be recalled that the Under-Secretary-General for Management had

stressed the effort to maintain a balance between risk and return expectations over the medium to long term, rather than take the risks inherent in seeking high short-term returns. In today's unpredictable financial markets, it was important for the Fund's investment portfolio to continue to be widely diversified in order to reduce risk and improve long-term returns.

19. As at 31 December 1997, the Fund, for the first time since 1978, had had a small actuarial surplus of 0.36 per cent of pensionable remuneration. The Committee of Actuaries had noted that a significant portion of the actuarial gain had been due to the strengthening of the United States dollar and investment returns since the previous valuation. Had that movement in exchange rates not occurred, the Fund would probably have remained in deficit. Nevertheless, her delegation agreed with the Committee of Actuaries and the Advisory Committee that that should not be a reason to make changes in either the contribution rate or in benefits. Any such changes should be subject to subsequent actuarial valuations.

20. On the important and long-ignored issue of entitlements for surviving spouses and former spouses, her delegation welcomed the new entitlements proposed, even though they fell short of meeting the needs of all concerned. On the elimination of the remarriage penalty, some restrictions should be imposed on eligibility for receipt. The Board should continue to seek to resolve those issues, without actuarial consequences.

21. Her delegation was disappointed at the lack of progress on the question of the rights of former participants in the Fund who were Russian citizens, and regretted that the Russian Federation had yet to ratify the agreement negotiated with the Board in 1996, which she urged it to do.

22. Her delegation supported the recommendations of the Board on administrative arrangements between the Fund, the United Nations and other member organizations. She also supported the recommendation contained in document A/C.5/53/3 that the Secretary-General should complete his consultations with other member organizations on the methodology for apportioning charges for services rendered to the Fund on their behalf by the United Nations. With regard to the proposed staffing changes, her delegation supported the position of the European Union.

Other matters

23. **Mr. Yamagiwa** (Japan) noted that a considerable number of documents had yet to be considered and that the symbols given in the note on the status of preparedness of documentation for the Fifth Committee (A/C.5/53/L.1/Rev.1) were often incomplete, which complicated the task of delegations. He hoped that the Secretariat would circulate a complete list as soon as possible.

24. **Ms. Silot Bravo** (Cuba) said that the ACABQ report on the report of the Secretary-General on human resources management reform (A/53/414) should be made available to the Fifth Committee the next time it took the question up.

25. **The Chairman** said that Tunisia had expressed the same view and that he had so informed the Advisory Committee, which had not yet responded.

26. **Mr. Sklar** (United States of America), referring to the statement made some weeks previously by the Under-Secretary-General for Management, which his delegation had commended, said that in addition to an amount of some $164 million ($50 million for the regular budget and approximately $111 million for peacekeeping operations) recently paid for 1998, the United States had the day before paid an amount of $197 million for the regular budget and for peacekeeping operations for 1999. That payment, made in advance, raised the total level of payments made in 1998 by the United States to $586 million, an amount representing virtually all the amounts due for the regular budget and peacekeeping operations. Thus, for the third year in succession, the United States had essentially paid all amounts due in respect of current budgets. Nevertheless, the United States Government would assiduously continue its efforts in Congress to settle the question of arrears.

27. Recalling that the Under-Secretary-General had announced that it might be necessary to borrow up to $247 million from the peacekeeping budget to offset the deficit on the regular budget to the end of 1998, he said that the maximum borrowing would be $50 million taking into account the receipt of $197 million. It might even be the case, should the performance report, in December 1998, show that expenses had been lower than anticipated, that there would be no need for borrowing, which would be the first time in three or four years.

28. **Mr. Thorne** (United Kingdom) asked the Under-Secretary-General for Management to indicate whether it was true that the Organization's situation might be considerably better in terms of borrowing from peacekeeping budgets and to indicate exactly what the situation was of the United States regarding arrears, the most recent figure being for 31 August. The United States, for its part, could, at an appropriate time, indicate when it intended to pay the balance for 1998 and whether conditions attached to such payment.

29. **The Chairman** said that the Permanent Representative of Costa Rica had addressed a letter to him asking him to seek the opinion of the Office of Legal Affairs on two matters under agenda item 118 (Scale of assessments for the apportionment of the expenses of the United Nations), raised in informal consultations. One related to requests for exemptions to the application of Article 19 being considered in the Committee on Contributions before being submitted to the General Assembly, the other to the legal consequences of that proposal for the General Assembly.

30. **Mr. Sial** (Pakistan) said that his delegation had submitted two paragraphs in informal consultations, one on Article 19 of the Charter, the other on rule 160 of the rules of procedure of the General Assembly. He wished the Office of Legal Affairs to take them into account as well.

31. **The Chairman** confirmed that he would transmit the request of the two delegations to the Office of Legal Affairs.

The meeting rose at 11.55 a.m.